.No. 2728

1st draft as submitted Oct. 3, 1944

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THE JURCSEK PLAN

Agricultural Planning in War-time Hungary

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THE JURCSEK PLAN

Agricultural Planning in War-time Hungary

SUMMARY

The much publicized Jurcsek Plan, introduced in January 1943, differs essentially from other compulsory surrender schemes in the adoption of the "wheat unit" coefficients in determining delivery quotas for the various agricultural products subject to surrender. The coefficients are based on the food and utility value of the products.

Hungarian and German trade relations, especially in agricultural products, took on added importance after the Nazi regime came into power in Germany in 1933. With the outbreak of World War II, Hungary became of even greater significance to Germany as source of supply since many of her pre-war sources were closed. This growing importance of Hungary is marked by the agricultural agreement of 1940, which clearly shows the interest of Germany both to intensify and improve qualitatively Hungarian agricultural production.

Promotion and stimulation of greater production through increase of prices for agricultural produce, however, did not bring the desired results. In 1941 compulsory surrender of surplus produce was introduced but, owing mostly to the uncooperativeness of the peasant, the measures were ineffective. Scarcities in vital food products within the country, since export agreements had to be maintained, made more stringent regulations necessary. Late in 1942 compulsory surrender of bread cereals, this time based on the schematic method of surrender, was introduced. This was followed in January 1943 by the Jurcsek Plan, which added fats and other produce to the list.

From the social standpoint the Jurcsek Plan has all the brandmarks of continuing the inequalities of the system of concentrated landownership. From the political point of view there can be no doubt that this plan was designed mainly to maintain the flow of agricultural supplies to Germany.

However, in view of the chaotic condition which may ensue at the cessation of hostilities, it may be advisable to maintain some form of surrender of produce. In such an event, a modified version of the Jurcsek Plan might be adopted to bridge the transitional period. The extent of such a surrender scheme will depend on the aims: whether it is desired only to prevent inflation and assure adequate food supply to the urban populations within Hungary, or also to assure a flow of agricultural produce into official channels to meet demands of the United Nations.

A. Developments Prior to Jurcsek Plan

The evolution of production and control measures in agriculture in Hungary, since the outbreak of World War II, can be divided into four phases.

The agricultural agreement entered into between Germany and Hungary in October 1940[1] (subsequently renewed each year) may be considered as the first step. The second stage is represented by what may be termed as experimental stage at stimulating production and later the introduction of measures to oblige surrender of produce. The third phase was marked by the promulgation of Law XVI of 1942[2] for "encouragement of agriculture" commonly termed as the "Milliard Plan", and the fourth the "Jurcsek Plan"[3] proper, which regulates in minutest details the modality of delivery of agricultural products and obliges the producer to increase his production in order to meet his obligation to surrender.

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[1] Südost-Economist No. 8 April 21, 1944 pp. 124-126

[2] O.T., No.8, 11 September 1942; full copy of text in French in Annuaire International de Legislation Agricole, XXXIIIeme Annee 1942, published in Rome 1943; pp 201-226

[3] Decree No.100,800/1943 K.M., Budapesti Kőzlőny, No.19, 24 January 19

In the first stage the groundwork for intensification of production was laid but the method of delivery was not planned. The basic principle was to promote cultivation of such produce as would find a ready market in Germany. Since it was to the interest of Germany that agricultural production should be both intensified and improved qualitatively, the agreement envisaged importation from Germany of improved breeding stocks of cattle, as well as of seeds. To promote such development various commissions were created in the Ministry of Agriculture to handle specific problems. (See Appendix E for discussion of agricultural trade with Germany.)

During the second phase the first attempt to stimulate production was simply to increase agricultural prices. This method, however, fell fa short of the desired results and in 1941 the "individual method" of assessment of deliveries was instituted. Under this method the needs of the farmers are assessed, i.e., for personal needs of his family and farmhands, as well as the needs of the farm, as seed stocks, etc., and what remains has to be surrendered. For instance, 120 kg. of wheat, 110 k of rye, 100 kg. of barley and 80 kg. of oats could be retained per eac yoke as seed. It is obvious that such a system required thorough c and policing to be effective. This was mainly carried out at threshing. Hand flails were permitted only where machines were not available, otherwise each farmer had to bring his cereals to a registered threshing machine, specified for each village, to which a controller was assigned. Each farmer presented his "Grain Card" before threshing began, in which the amounts of cereals left to him were entered, and the surplus was delivered to the "Hombar" (Grain Center), for which the threshing controller was responsible. The thresher also kept record of the amounts threshed in a "Weight Book" and "Threshing Register" which had to correspond with the amounts entered into the farmers' "Grain Card".[1]

Since during this period only cereals came under consideration and money had little value as incentive, there was a tendency for the small farmers to reduce their cereal production to the level of their own needs and to produce crops which did not fall under control. In addition, peasants both actively and passively avoided delivery of cereals. Production between 1940 and 1942 fluctuated, reaching a precariously low level at end of 1942 which called for more energetic action if the urban populations were to be supplied with sufficient food and if exports were to be maintained at the same high level. Scarcities in certain products became so dangerous that the government was forced to requisitioning, which was not a solution since it evoked hard feelings and spurred the farmers even to greater obstructionist policies.

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[1] Pestery Lloyd, 16 June 1942

In the third stage, a long-term program was drawn up for improving agriculture on a permanent basis, with a total outlay of 1,270 Million *pengö*. Of this sum 650 million *pengö* are to be devoted to land improvement (especially of six million yokes - 3,450,000 hectares - of meadow and pasture lands). It is estimated that the average hay harvest would be doubled, which would be of great importance to animal husbandry in Hungary. The remainder of the amount was apportioned among various projects, as afforestation, agricultural instruction, construction of canals, irrigation ditches, etc.[1] Since this law has gone into force several million *pengö* have already been expended on what is called the "immediate" program. While this plan does not have direct connection with the Jurcsek Plan, it does have a bearing on its success, since the improvements already instituted and those still envisaged, do influence the total productive ability of Hungarian agricultural economy.

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[1] Südost-Economist, 26 November 1943

In the fourth phase, the "schematic method" was adopted. The point of departure between the individual and schematic methods is that while the former considers the needs of the farmers and takes the surplus, under the latter the needs of the country are assessed, i.e., public consumption, army, industrial purposes and export, and assigns specific delivery quotas to the farmers to cover those needs, expecting the farmers to so plan their production that they will not only cover their quotas but their own needs. The success of such a system depends on the timely notice to the farmers which products and in what quantitites he must deliver so that he can plan his sowing accordingly. The disadvantage of the schematic method is that the delivery quotas, of necessity, are based on the average or marginal yields.

On November 2nd 1942 two decrees[1] were passed which carried provisions for compulsory delivery of bread cereals. In these decrees the net cadastral income was taken for the first time as basis for computing delivery quotas.[1] Each producer had to deliver from the 1943-1944 harvest 10 kilograms of bread cereals (wheat, rye or mash of wheat and rye) for each Gold Crown[2] of his net cadastral income per yoke[3] of his total arable area. The net cadastral income on agricultural land in Hungary was computed to be 214,4 million Gold Crowns - of this the arable land represented 166 million Gold Crowns, giving an average of 10.99 Gold Crowns per yoke. The delivery quota of bread cereals was not computed on the basis of area planted in cereals but on the total arable land, on basis of which then the delivery quota of bread cereals was computed to be, theoretically, at least 16,6 million quintals[4] in wheat or rye for the whole country.[5]

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[1] No.6000/1942 M.E., and No. 112,600/1942 K.M., published in Budapesti Közlöny No. 249, 3 November 1942

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1. The "net cadastral income" was first established in 1875 (IV t.c.) This was not based on the real revenue or rent obtained from the soil, but was an arbitrarily established scale for the different types of cultivation, i.e., arable land, gardens and orchards, meadows, vineyards, pastures, forests and reedbeds. As a result the large landowners in reality enjoyed an income from fifteen to thirty-five times greater than on what they paid taxes because land rents, as well as income due to improved agricultural production, had increased. The net cadastral income roster has not been completed in Hungary to this day.
2. The original Gold Crown evaluation was retained for taxation purposes and its equivalent value in *pengő* was set by law at 1.585365 *pengő* per Gold Crown. (1925 - Statistical Yearbook)
3. Yoke (cadastral) - Hungarian square measure equal to 0.575 hectares or 1.07 acres.
4. Quintal is equal to 100 kilograms or 220.46 lbs. avoirdupois (1.968 cwt.)
5. Pester Lloyd, 1 December 1942

An adequate premium was provided for deliveries in excess of the quota and penalties for non-delivery.

B. Jurcsek Plan

On January 24, 1943 the "Jurcsek Plan" was published which embodied the points already stressed in the two decrees of November 1942, which were that:

1. It is necessary to set the volume and kinds of products needed by the country, and to direct production accordingly.
2. Requisitioning should be avoided. Farmers must know well in advance of the sowing season which products and in what quantities they must be delivered, in order to cover the needs of the army, the public, industry, export and agricultural economy.
3. Farmers must be allowed a certain freedom in choice within the categories subject to compulsory deliveries in order to secure maximum yields from their lands (for instance, between wheat or rye).

The outstanding features of the Jurcsek Plan are the (1) combining of the schematic, with the individual method, (2) the introduction of the "wheat units" as coefficient for calculating deliveries, and (3) the addition of other products (fat and other commodities) to the delivery quotas.

The net cadastral income was retained as criterion, but minima and maxima were set. Quotas for farms on which the net cadastral income was below 3 Gold Crowns per yoke were computed on the 3 Gold Crown basis, while those which exceeded 20 Gold Crowns per yoke were computed on 20 Gold Crown basis.

The coefficients for transferring the various products into "wheat units" are fixed on the basis of their food value and their utility for national economy. Thus, for instance, one quintal of maize is equal to 90 wheat units, one quintal of oats to 100 wheat units, one quintal of butter 2,000 wheat units, one quintal of sunflower seed oil (crude) 800 wheat units, etc. (See Appendix _A_ for full list of products with their wheat units as appended to the decree.)

This decree made it obligatory for each producer to deliver, at a price fixed by law, apart from the compulsory 10 kilograms of bread cereals per each Gold Crown of net cadastral income established in the previous decrees (equal to 10 wheat units), an additional 40 wheat units in other agricultural products. All agricultural products were divided into three classes: (1) bread cereals, (2) fats, and (3) other products. Thus, out of the 50 wheat units to be delivered per each Gold Crown net cadastral income on one yoke of arable land, 10 units in bread cereals and 10 units in products classified as fats were compulsory, the remaining 30 units could be selected from the third category. Special provisions were included for considering rice, maize, and barley as bread cereals in certain areas, but their coefficients remained unchanged.

The reduction of the different products to a mommon denominator on basis of their food value (constant relation), and of their utility to national economy (contingent relation) will undoubtedly undergo revisions (as has already occurred), depending on harvests, change in needs of national economy, as well as probable displacements of certain crops for those which have the higher coefficients.

During the first year prices[1] had three levels: (1) prices fixed by law, (2) premia, based on official prices, paid over and above the amount set for excess deliveries, and (3) known as "black market" prices which could not be eradicated altogether but which it was desired

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1. Nepszava, 19 January 1943, ND 1060, 18 February 1944; MTI (in German) 10 February 1944, ND 1368, 12 February 1944

to keep within the narrowest limits. The latter was presumably obtained for such products as remained after delivery of the quotas and which the farmers could sell on free markets.

As an example, the following will show how Jurcsek's Plan affected a farmer having 200 cadastral yokes of arable land (115 hectares or 284 acres) with a net cadastral income of 10 Gold Crowns per yoke, i.e., a farm in medium productive category. The net cadastral income of this farm amounted to 2,000 Gold Crowns on the arable land, and the farmer had to deliver (2,000 x 50) 100,000 wheat units in products of which one-fifth (20,000 wheat units) was in wheat or rye, another one-fifth in fats, and the remaining 60,000 units in optional products. He could then plan his delivery quota as follows (of course depending on the type of crops he would normally have for the optional products):

	Wheat Units
200 quintals of Wheat	20,000
20 quintals of Pork fat(or equivalent in live pigs)	20,000
50 quintals of Barley	5,000
25 quintals of Beans	5,000
200 quintals of Potatoes	6,600
1 quintal of Lucerne seeds	1,800
100 quintals of Lucerne hay	4,000
10,000 kgs. live weight of slaughter cattle (or other slaughter animals)	30,000
Other products	7,600
	100,000

The above is only a simple example, and in most cases the composition of the delivery quotas would xxx present a much more diversified list. Also it does not take into account deductions or exemptions.

The obvious advantage of the Jurczek Plan is that, although it gives definite directives for products to be produced (as in case of cereals and fats) it leaves considerable leeway for free choice, but by placing higher coefficients on certain products indirectly influences the choice of cultivation by the farmers, who naturally would try to produce crops in the higher coefficients. The weak point in this system is that it is considerably harder for the small farmer to plan his production to meet the quotas, especially in the cereal category. During the past decades there has been a tendency for the small farmer to diversified farming, leaving the cereal cultivation to the large landowners. Under this plan he has to return to cereal cultivation which, from the point of view of long term agricutural economy, is a retrogression.

1. Administrative Machinery

In urban areas, the mayors, and in rural communities, the communal authorities, were requested to have compiled a roster of cadastral net incomes, together with the delivery quotas computed in wheat units, for each farm. This had to be displayed prominently for public examination. These data were then entered into a "Farm Register" and on index cards for each farmer which were sent to the Inspectorate for Public Supplies. In communities where cadastral net income records were not kept, or were incomplete, the delivery quota was computed on basis of the assessed land taxes for the year 1943.[1] If the farmer's fields were located in several communities, he could have the record consolidated into one community roster. Exceptions to data entered into the "Farm Register" could be reported within fifteen days, and if no satisfactory solution could be reached with the communal authorities, could be referred within additional fifteen days to the Government Commissioner for Public Supplies for correction.

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[1] Pester Lloyd 27 February 1944

Each farmer received a "Production Book" in which data concerning size of his family, size of enterprise, and the total of his delivery quota in wheat units were entered. Under the preceding regulations the farmer had to submit a statement showing the distribution of crops (wheat or rye) he would surrender. It is to be presumed that a similar plan had to be submitted for the harvest year 1943-1944.

Produce was delivered to especially designated dealers who were entrusted to take over and pay for the delivered crops. The commodities were then brought to centers from where they were distributed under government supervision. For each delivery a voucher was filled out, the original being given to the farmer and the duplicate was sent to the proper control authorities (presumably the dealer retained a copy for his files). The communal authorities entered in the Farm Register, in the Production Book and on the individual cards for each farmer, the amount delivered, together with the type of crop and number of wheat units. From this Register the authorities could ascertain at any time how much a farmer had delivered and how much was still outstanding.

The only complication in the above simplified system of delivery and control is encountered when the produce does not come up to the specified quality. In this event, the farmer is not credited with the full numberof wheat units and has to make up the difference, not by payment in money, but by additional deliveries to fill his wheat unit quota. For instance, if the farmer delivers 100 quintal of wheat with 76 kg. weight per hectoliter instead of 78 kg., and with 4 percent chaff instead of 2 percent, he receives only 4 percent of the purchase price and in addition he must deliver a further 4 quintal of wheat to complete his quota. This additional penalty prevents delivery of bad quality produce, especially since monetary penalty alone was not a sufficient deterrent.[1]

On the other hand, agricultural produce cannot be standardized to such an extent as manufactured goods. Deliveries by wagon loads are appraised by experts of the grain exchange, but in case of small deliveries the decision depends on the dealer, which may be quite arbitrary. The fact that bitter complaints and, in view of the fact that the farmer is daddled with double penalty, often heated arguments resulted, led to the creation of a quasi judicial agency which has the power to settle matters on the spot.

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[1] Pester Lloyd, 18 May 1943

The prescribed quotas must be delivered (or exceeded) by end of the fiscal year (June 30th - this presumably applies especially to cereals since threshing begins on June 15th) but other terminal dates may be set by the government as found necessary. Approximately 3,500 communal authorities with 8,000 employees are responsible for the control and timely delivery of the quotas. They are under the control of county authorities who in turn are supervised by 41 Inspectorates of Public Supplies, with power to revoke decisions of the communal and county authorities and to dismiss unsatisfactory personnel. This check was made necessary to curb tendencies for corruption.

Such arable lands which had already been cultivated for some years with onions, paprika or other important food crops for public consumption, could be released from bread cereal delivery quotas. Exceptions were also made in case of farms which specialized in raising qu seed, or seeds in large quantities. Horse breeding also received exceptional consideration.[1]

Awards were also provided in the decree. Farmers who delivered more than their quota were to receive for each 100 wheat units in excess, one and one-third the official price for one hundred metric weight of wheat. Such premia were given only if deliveries in all three categories had been filled. Insufficient delivery of cereal or fat quotas could not be supplemented with crops from the third category. Those farmers who did not fulfill their delivery quotas could be fined three to eightfold the value of the wheat units lacking. Such fines were payable in tax form.[1] Control was entrusted to the Inspectorates of Public Supplies who could call upon the gendarmerie and police for enforcement.

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1. Pester Lloyd, 26 February 1943

The decree also provided a certain number of exemptions or deductions from the wheat unit ~~xxx~~ quotas. While on paper they give the impression of favoring the small farmers, in reality, for reasons discussed on pages 41 to 42, the large landowners benefited to a much greater degree. For comparison see Appendix B.

2. Supplementary Decrees to Cover Emergencies

The Jurcsek Plan covered the period 1 July 1943 to 30 June 1944. During the interim period previous regulations for surrender of cereals were in force. This created a certain amount of confusion which was taken advantage of by the farmers to avoid deliveries. For instance, in Csongrad legal action had to be taken against 5,200 farmers who had not surrendered cereals. Threshing regulations were evaded wherever possible, and gendarmerie had to intervene.[1]

Under the Jurcsek Plan, delivery of meat was in the third category, and therefore depended on the choice of the farmer. The unfavorable climatic conditions, low precipitation in winter of 1942-1943, followed by early spring and drought in summer, reacted unfavorably on animal husbandry which resulted in shortage of meat for public consumption. By decree of 3 March 1943 cattle for slaughter were requisitioned but by subsequent decree of 6 June 1943 such animals as had been sold or requisitioned could be included into the surrender quota. The corresponding wheat units were entered into the farmers' Production Books by competent authorities who had to report by July 15th how much cattle had been requisitioned and how many wheat units had thus been credited up to July 1st.[1] The amount of compulsory animal fat delivery (category II) was increased to 5 kg. for every pig slaughtered for general consumption, and 4 kg. lard from the first pig and 8 kg. from each subsequent pig slaughtered by private individuals.[2] As a further control, only nineteen slaughter houses[3] were authorized to receive delivery of slaughter animals. Evasions, however, were not completely curbed, as a report of a single dealer who slaughtered 1,081 pigs illegally between June and November 1943 would indicate.

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[1] Nepszava, 21 July 1943; ND 1199, 30 July 1943; Magyar Nemzet, 3 August 1943; ND 1217 , 20 August 1943

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1. Nachrichten für Aussenhandel, 17 June 1943; ND 1195, 26 July 1943
2. Donauzeitung, 7 November 1943; ND 1320, 7 December 1943
3. Magyarorszag, 29 December 1943; ND 1377, 23 February 1944

Wool also was in the so-called optional category (III) but shortages in textiles required more stringent regulations. According to decree No.1600/1943 of 6 June of the Ministry of Supplies[1] those sheep breeders could retain wool for their own family use who had prepared wool at home in 1941. They could withhold five pelts at the most, 7 kg., of unwashed wool or 2.5 kg. of washed wool. If there were more than five persons in the household, for each additional person 1.4 kg. of unwashed wool or 0.8 kg. of washed wool could be retained. Those districts which had no home wool industries in 1941 had to surrender all their wool to the "Futura" cooperative. The wool sold to the Futura, or to its commissioners, up to 1 July, was to be included into the surrender quota. The Futura was to supply the farmers with vouchers which he had to submit to the authorities by 1 December 1943 to enter the wheat units into the Register and Production Book.[2]

On 1 July 1943 official prices were again increased for cereal produce for the 1943-1944 period, but this may be regarded less as a

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1. Kis Ujsag, 12 June 1943
2. Nachrichten fuer Aussenhandel, 17 June 1943, ND 1195, 26 July 1943

direct stimulus to production than as an attempt to equalize the disproportion between farm and industrial income. The flight of farm labor to urban centers, where higher wages were paid, could not be prevented by the farmer who could not offer higher wages since his own income had not kept pace with the rising cost of living. The increases ranged between 33 percent for wheat and rye per sack (over 70 kg.) to 47 percent for barley (65 kg.), 48 percent (41 kg.) for oats and 53 percent for maize.[1]

3. Shift from Monetary to Material Incentives to Stimulate Greater Production

Under war conditions, when value of money is dubious, the premia offered for excess deliveries did not bring the anticipated results. The government found itself forced to hold out other inducements.

Not even the freezing of wages in industries and the increase of wages for farm labor in July 1943 prevented the flight of labor from land which affected agricultural production. As inducment for labor to remain on land, shoes and textiles were to be distributed on basis of services rendered. In a report given by Jurcsek in May 1944, it was stated that two-thirds of the goods produced by the Hungarian textile mills since February had been distributed exclusively among agricultural workers. For the year 1943-1944 it was estimated that 500,000 agricultural laborers would benefit by the large-scale clothing campaign by enabling them to purchase cheap textile goods.[1]

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[1] Südost-Economist, 20 August 1943

Farmers who had delivered their quotas in all three categories were given vouchers for purchase of textiles amounting to 150 pengő for 2,000 wheat units and further 50 pengő vouchers for each additional 1,000 wheat units of products delivered in excess of their quotas. If the farmer himself did no physical work on the farm, he had to distribute these vouchers among his workers, up to the value of 300 pengő per family.[2] The employer or landowner had to keep record of the vouchers distributed for subsequent control. Goods against vouchers could be purchased only at certain dealers who were designated by the Textile Center.[3] Similar plan covered the issue of footwear, a pair of shoes having the value of 2,000

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1. Magyar Nemzet, 6 August 1943; ND 1224, 28 August 1943
2. Magyarorszag, 27 May 1944; ND 1478, 20 June 1944
3. Függetlenseg, 25 June 1944

to 3,000 wheat units.[1]

Early in the year 1944 a decreee established that those farmers who produced fiber crops would receive a certain amount of textiles in return. Since the compulsory delivery of fiber plants is the total harvest, the producers have right for each yoke of land planted to hemp or flax to (a) 5 meters of linen for underwear, or 3 meters for clothes, (b) 2 sacks, or 1 square meter of sheeting (coarse material used for carrying farm produce), and (c) 2 kg. of rope or 3 kg. of twine. As can be seen from the above, the material premia are so divided that not only the personal needs are met but also the requirements of the farm.[2]

One of the most common and persistent complaints of the farmers is the lack of agricultural machinery and replacements. To satisfy these demands, and also to stimulate the farmers to greater production, a program for supplying the necessary machinery was discussed, which hinges on the satisfactory delivery of produce.[3] Same as in textiles, vouchers are to

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1. Pester Lloyd, 19 February 1944
2. Südost-Economist, No.4, 18 February 1944, p.62

3. Südost-Economist, No.4, 18 February 1944

be issued for excess deliveries against which machinery may be purchased. These vouchers are to be issued by the Provincial Chambers of Agriculture to whom the size of the farms and number of draft animals and wagons on the farms have to be reported.[1] A further suggestion was made by the Minister of Industry that each farmer who purchases machinery should in return deliver scrap iron. The agricultural councils suggested that the control for need and distribution of manufactured products should be in the hands of the autonomous agricultural organizations and not in those of the communal authorities. The Agricultural Chambers could perform the control while the agricultural cooperatives could make the distribution.

Of special interest in these material awards is not the fact that premia are offered for delivery of produce, but the shift of emphasis to the labor performed. In fact the Minister of Industry was of the opinion that the shoes and textiles awards should not be distributed on basis of produce deliveries but on labor performed, whether industrial, white collar or farm.[2] Jurcsek on 12 May 1944 in a speech stated that ". . .Hungarian

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1. Pester Lloyd, 6 January 1944
2. Südost Economist, No.4, 18 February 1944

agriculture is the most important war enterprise and we shall do our best to supply it with the necessary industrial articlex for its maintenance. These include not only agricultural machinery and fuel, but clothes for the laborers . . . Compulsory labor service was imposed in order to guarantee agricultural production. We will cut the food supply of those people who do not work."[1]

4. Jurcsek Plan for 1944-1945

The results of the first harvest year under the Jurcsek Plan have been designated by official circles as "highly satisfactory". It is claimed that the compulsory delivery quotas fell only 2.5 percent short of the estimated delivery of produce.[2] Other reports would belie the statements of wholehearted cooperation of the peasants. Kallay in his speech in the Upper House said, among other things, ". . . After all, the notary of a village with a few thousand inhabitants cannot do everything alone in face of the passive and active resistance of the inhabitants. I do not say these things merely by way of excuse, but simply as an explanation. I know that this is how things stand and that to change the situation is very difficult. . ."[3]

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[1] Pesti Hirlap, 12 May 1944; ND1455, 24 May 1944

[2] Hungarian Overseas Service, 24 August,1944; ND 1536, 26 August 1944

[3] Nepszava 19 December, 1943; ND 1342, 18 January 1944

Furthermore, if one remembers that the estimated delivery quotas represented about one-third of the normal production of the country, the 2.5 percent shortage takes on greater significance. Apparently the excess deliveries did not even make up for the non-deliveries of farmers, whether due to inability to meet their quotas or to active resistance.

The changes cited in the preceding chapters were instituted at various periods during the year to meet specific problems. At the end of the 1943-1944 harvest year, the Jurcsek Plan was extended for the 1944-1945 harvest period with changes which were found necessary after appraisal of results could be made. The regulations for 1944-1945 carry the following essential additions or deletions from the original plan.[1]

As in the previous year, the net cadastral income remains the base for computing the number of wheat units to be delivered from arable land. The wheat units, however, were lowered from 50 to 40 per each Gold Crown per yoke of arable land. Because of the inadequacy of meat deliveries, it was necessary to take the meat off from the optional category (III) and make it into a compulsory delivery. As a result for the harvest year 1944-1945, the farmers must deliver per each Gold Crown and yoke of arable land 10 wheat units in bread cereals, 10 in fat products and 7 units in meat, while only 13 wheat units remain in the category where the farmers have some choice among produce. The reduction from 50 to40 wheat units per each Gold Crown of net cadastral income on arable land is an amelioration, but in the previous year only the arable land was subject to surrender, this year the meadows and pasture lands are likewise subject to delivery quotas.

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[1] Südost-Economist, No.8, 21 April 1944 pp 133-134

Quotas for the meadows and pasture lands are assigned on basis of wheat units assessed per yoke and not on the net cadastral incomes for those lands. The meadow and pasture lands were divided into five categories and the wheat units per yoke range between 80 to 240 units for yoke of meadow land, and 30 to 110 wheat units per yoke of pasture land. One-half of the wheat units for meadows must be surrendered in meat products, which includes cattle, sheep, pigs, or wild game and fish, and the rest in specified amounts of hay, straw and oats. For pastures the total number of wheat units must be filled by cattle deliveries.

His quota on pasture land had to be covered by cattle, so he surrendered 152 kg. live weight in oxen, or 760 wheat units, and two calves, or 640 wheat units, making his total of 1,400 wheat units.

Half of his quota for meadow land had to be filled with meat products, or 4,000 wheat units:

	Wheat Units
500 kg. live weight Oxen	2,500
100 kg. live weight Fish	400
225 kg. live weight Breeding poultry	900
5 Lambs	200
	4,000

The other half of his meadow quota must be filled with hay, oats and straw, or 4,000 wheat units in all:

	Wheat Units
50 quintals Lucerne hay	2,000
15 quintals Oats	1,500
15 quintals forage straw	225
15 quintals Litter straw	225
	4,050

Although his total delivery in wheat units decreased, his planning and computations became more complicated which, for the simple peasant must be a considerable problem and a chore. Also the bookkeeping involved in keeping control of the deliveries must have been considerably increased.

We might take the same farmer on page 10 as an example for the year 1944-1945. He had 200 yokes of arable land in the 10 Gold Crown category of net cadastral income per yoke. In addition he held 50 yokes of meadow land, also in the medium productive category which was assessed at 160 wheat units per yoke, and 20 yokes of pasture land at 70 wheat units per yoke. His total deliveries in wheat units for the year amounted:

200 x 10 x 40 or 80,000 wheat units on arable land
50 x 160 or 8,000 wheat units on meadow land
20 x 70 or 1,400 wheat units on pasture land
89,400 wheat units for all three categories

His delivery on arable land he planned as follows:

Category		Wheat Units
I	200 quintals of Wheat	20,000
II	40 quintals Pork fat	12,000
	8 quintals Crude sunflower seed oil	8,000
III	40 quintals Pork meat	12,000
	5 quintals Slaughter cattle	2,000
IV	20 quintals Tomatoes	7,200
	200 quintals Potatoes	6,600
	50 quintals Beans	10,000
	110 quintals Sugar beets	2,200
		80,000

These new regulations would lead one to deduce that the delivery in cereal and other products, although not up to the estimate, was sufficient to meet the export requirements, but that the meat problem was acute. According to the 1935 survey figures 60.3 percent of Trianon Hungary was represented by arable land, 7.1 percent by meadows and 10.5 percent by pastures. With the reannexation of territories since 1938 the proportion changed to 50.6 percent arable, 9.3 percent meadows and 10.8 percent pastures, the latter two categories practically doubling in area, amounting to some six million yokes (3,430,809 hectares). If no exemptions or minima are taken into account, and if only the lowest number of wheat units per yoke (30 for pastures and 80 for meadows) are computed, 96,156,240 wheat units would be delivered in meat for the pastures and 110,456,600 wheat units from meadows (one-half of total). The above is the lowest estimate and does not take into consideration other factors, nonetheless, over 400,000 quintals of meat would be surrendered. This does not represent the total meat deliveries since 7 wheat points per Gold Crown per yoke on arable land must also be delivered in meat. This regulation should not only assure sufficient flow of meat into the official channels, but should also lead to intensification of cattle breeding in Hungary, which from a long range point of view is most desirable.

The drought in 1943 also affected the harvest in industrial crops and due to the insufficient supply the government did not see its way clear to meet the demands of farmers to lower the compulsory acreage in industrial crops (sunflower, soya, hemp, flax, castor beans, rape, linseed and Kok sagys) below what was decreed for 1943-1944. For the harvest year 1944-1945 farmers whose property exceeds 15 yokes (8.625 hectares) must again devote 7 percent of their arable land to growing industrial crops.[1] It does extend some choice of plants which may be grown. The compulsory area for castor beans has been reduced from 3 to 2 percent. On the other hand the compulsory area for sugar beet and tobacco has been increased. Owners with more than 300 yokes (172.5 hectares) of arable land, who so far had not grown sugar beet, must plant sugar beet on 2 percent of their land. Owners of more than 1,000 yokes (575 hectares) of arable land must plant tobacco which will be counted into the area cultivated with industrial plants.

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1. Magyarorsmag, 29 December 1943; ND 1377, 23 February 1944
   Decree of 13 July 1943

Some of the dissatisfaction of the farmers with the industrial crop production was due to the inadequacies of the oil processing plants. The farmers are entitled to purchase 20 kg. of oil cake in return for the delivery of 100 kg. of sunflower seeds but because the plant facilities could not cope with the production there was considerable delay in supplying the farmers with the oil cakes which were urgently needed for cattle feeding due to the drought.[1] Growers of sunflower seeds are also to receive at least 30 kg. of artificial fertilizer and an advance payment on deliveries of 150 pengő free of interest for every yoke placed under sunflower cultivation. The surrender quota of industrial crops is the total harvest.[2]

The surrender of wool has also been modified.[3] The total fleece of Merino, or crossbred Merino sheep, has to be surrendered. From the 1944 shearings in Subcarpathia and Transylvania 1 kg. of fleece from each sheep and 200 grams from lambs, in the rest of the country 2 kg. from sheep and 400 grams from lambs of the Tsigaia and Ratzka breeds have to be surrendered. Such surpluses as may remain

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1. Donauzeitung, 25 February 1944; ND 1418, 11 April 1944
2. Neue Ordnung, 30 January 1944; ND 1377, 23 February 1944
3. Südost-Economist No.8, 21 April 1944 pp 129-130

can be utilized by the breeder for his own purposes. The quality of the delivered quota must be the same as of the retained, i.e., not more than 8 percent from fore and underlocks. Same as in fiber plants, the farmer is entitled to woolen articles in return for the delivered fleece, if his delivery in 1944 is at least 20 kg. to 50 kg. of fleece (regional differences) and if the amount of Merino wool was equal to previous year. The breeder is entitled to 3 meters of woolen material and for each subsequent 25 kg. of wool an additional meter. Premia are also to be given for fleece from the Ratzka and Tsigaia sheep; for each 3 kg. per sheep or 600 grams from lambs, in the eastern sections 1½ kg. from sheep or 300 grams from lambs, above the normal quota. Shearings must be reported to communal authorities within eight days from their completion, at the latest by the 24th of July for sheep and 9th of October for lambs. The reported quantities are controlled by authorities.

As previously only the "Futura" cooperative is empowered to purchase the compulsory delivery of wool. Also the wool which the breeder was allowed to retain but does not need for his own personal use, can only be sold to the Futura. New in the regulation is that the Futura must conform with the instructions of the Bureau for Industrial Raw Materials, and manufacturers may purchase wool only from the Futura. Force can be used against breeders who do not report shearings or do not make their deliveries.

The separation of the delivery quota from the surplus is made at the time of the delivery to permit control of the quality of the wool. Only 45 days later can the breeder make use or dispose of the part left to him, after the price and quality evaluation has been made. At the time of the delivery he receives 80 percent of the purchase price, the remaining 20 percent after the quality of the wool had been determined.

The minima and maxima of deliveries for 1944-1945 are not expressed in Gold Crowns of net cadastral incomes per yoke of arable land (3 and 20 Gold Crowns in 1943-1944) but in the number of wheat units to be surrendered. Thus for 1944-1945 the minimum is 120 wheat units per yoke of arable land for the lower categories, and maximum 800 wheat units per yoke of arable land for the upper brackets.

Changes were also made in the regulations permitting deductions. Since they are discussed on pages 41 and 42 they are given under Appendix C. Similarly some of the changes in coefficients are appended. (Appendix D.)

C. Discussion

The man who evolved the plan of compulsory delivery based on wheat units is Bela Jurcsek. His efforts to keep agricultural products flowing into Germany have been rewarded by Hitler with the Grand Cross of the Eagle (with Star).[1]

His background makes him qualified for the post of the Minister of Agriculture to which he was appointed on 22 March 1944 and which he has retained in the most recent reshufflements of the cabinets on 29 August and 5 September. He belongs to the landowner class, attended the agricultural academy in Debrecen, Hungary, and later gained practical experience in Germany as an employee on an estate. In 1914 he took over the family estate and continued his studies in agricultural and political economy in Austria, Germany and Italy. He was active politically in the Revisionist League. In 1935 he was elected to Parliament as member of the National Unity Party and belonged to that section which took extremist right-wing views on political issues. In 1940 he was made Government Commissioner for Agriculture and was instrumental in bringing about the agricultural agreement between Germany and Hungary in 1940. He was again reelected to Parliament in 1941 where he was member of the special committee dealing with Jewish questions and helped to draft the second anti-Jewish law. In 1942 he was appointed Secretary of State in the Ministry of Supplies and while there drafted the various bills for surrender of agricultural produce, including the "Jurcsek Plan". He has always advocated close collaboration with Germany both officially and in private utterances, and enjoys considerable popularity in Germany. In preparing the bills he made use of the lessons he had learned under the tutelage of Herbert Backe, the Reich Minister of Supplies, whom he counts among his intimate friends.[1]

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[1] MTI, in German, for Europe, 22 June 1944; ND 1482, 24 June 1944

The experiences of the past two years had amply shown that the methods thus far employed had been inadequate. During that period monetary stimulation and the "individual assessment" had been tried. Cooperation, as could be expected, was not wholehearted, leading to scarcities in vital products within the country, since exports had to be maintained. This led the government to requisitioning of produce, which is hardly conducive to voluntary cooperation.

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[1] Pesti Hirlap, 23 June 1944

The schematic method was adopted late in 1942 covering bread cereals only, but Jurcsek's Plan extended it to other commodities. While the schematic method has the disadvantage of low delivery per yoke, since the quotas are based on the output of the marginal producer, the individual method requires considerable organization for policing, which under war conditions, is both impracticable and undesirable. It is obvious that with the diversity of agricultural production, it would have been impossible to dictate quantities to be delivered in each product. In view of the normal production and consumption needs in Hungary, it seemed adequate to limit specified quotas to bread cereals and fats (later meat, industrial crops and wool were added). It was estimated that the minimum delivery quotas in bread cereals and fat could be attained by all farmers, provided enough scope was left to them for free choice in other products. This leeway assured a certain amount of elasticity for more or less normal development in agriculture.

Lacking reliable statistics on which productive ability of all farms could be based, it was found expedient to use the registered (cadastral) net income on arable land. It is planned to set up a register of the actual yields per yoke of the various products but this will take many years to complete. Against the cadastral net income evaluation criticism has not been lacking, and this with some justice since, as indicated in the footnote on page 6, the assessment of the net income was arbitrary and had no relation to the real revenue from the land. The actual returns from the land show great deviations from the arbitrarily assessed net cadastral incomes. The smaller the areas are, the greater are the fluctuations in yields. For instance, for total Trianon Hungary the wheat yield during a twelve year period shows only a differance of 13 percent from the arithmetic mean, while for individual counties deviations were as high as 20 percent, and on intensively cultivated large estates 24 percent.[1]

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[1] Pester Lloyd, 1 December 1942

Still greater fluctuations, than the yields per given areas, are seen in the total production of bread cereals from year to year in the various counties. As a result the surpluses, after quotas are delivered on basis of net cadastral incomes, are not equally distributed among the various counties. For instance, in the Fejer County the net cadastral income on 477,432 yokes of arable land is 6,608,426 Gold Crowns, i.e., an average of 14 Gold Crowns; in Szabolcs on 592,099 yokes the net cadastral income is only 5,253,516 Gold Crowns, or an average of 7 Gold Crowns. However, Szabolcs in reality produced more wheat than Fejer County but because of the lower average in net cadastral income has to deliver less wheat. As a result, the free surplus in Szabolcs is almost twice as high as in Fejer County. If this is true for the counties, how much greater must the disproportion be between a small farmer and large landowner.

Apart from the inherent advantages to the large landowners in a system which bases deliveries on net cadastral incomes, there are also exemptions and deductions which work to his favor. One of these is the exemption given for capital investments and improvements. While the large landowners would, under such circumstances, plan considerable improvements and investments, the small farmer lacks the necessary capital. Thus the small farmer is at a disadvantage both in lacking the capital to take advantage of the exemptions on capital outlays, and in being unable to increase his acreage in crops which carry the higher coefficients. The fact that excess deliveries[1] were recorded only for farmers with more than 100 yokes of land (57.5 hectares) would substantiate the premise that the small farmers could increase their acreage in wheat, in order to meet their quotas, only at the expense of other crops.

The net cadastral income as base key is of further disadvantage to the small farmer. When the net cadastral incomes were assessed in the middle of the nineteenth century, the large landowners used their overwhelming political power to influence the scale to their own advantage. Thus it is to be assumed that many have registered incomes not only far below the real revenue but also low in the income scale. The injustice to the small farmer is also evident in the minima set for delivery. The small farmer, whether his registered income per yoke was 3 Gold Crowns or not, had to deliver the amount equal to a

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1. Ellenzek, 24 June 1944; ND 1536, 26 August 1944

3 Gold Crown income. On the other hand, if the registered income exceeded 20 Gold Crowns per yoke, only the amount equal to 20 Gold Crowns need have been delivered. Thus, the large estate owners, who are known to hold the more productive land with the greater yields, and in reality enjoy a much higher income per yoke than even the highest possible bracket in the registered income scale, had to deliver much less in proportion than the small farmers with the less productive land. In effect, the minima and maxima for 1944-1945 have only changed in terminology, in reality the base is still the 3 and 20 Gold Crown income per yoke, e.g., minima 120 wheat units divided by 40 wheat units per one Gold Crown per yokes gives 3; 800 wheat units maxima divided by 40 gives 20. It is questionable whether the small farmers with one yoke or less of land, whatever their income scale per yoke may be, could indeed cover the quotas for which they were assessed.

The criticisms of the computation based on net cadastral income were not unfounded but the changes introduced for 1944-1945 still favor the large landowners to a much greater extent than the small farmers. The minimum of 120 wheat units per yoke of arable land is only a cut of of 30 wheat units, on the other hand the higher brackets (800 wheat units) enjoy a reduction of 200 wheat units per yoke.

The amelioration offered to those farmers whose total quotas do not exceed 500 wheat units is aimed especially at the dwarf holders (below 5 yokes) who have always served as source of cheap labor to the large landowners. By holding out the inducement of cutting their quotas through services rendered (2.5 wheat units per 1 pengő earned) the large landowner stands to benefit since he was the hardest hit by shortage of land labor. Since money in itself had little value to the small farmer, this additional inducement should stimulate him to work since a cut in his quota of wheat units, however small, would represent proportionately a substantial increase in food for his own consumption, a pinch which the large landowner would not feel.

The hardest hit are those farmers who lie below or on the border of the various exemptions and deductions provided in the decrees. For instance, out of the 645,048 independent farmers (classified in the agricultural profession according to the 1930 census) 576,770 had properties below 20 yokes in size and thus could not deduct for seasonal labor. On the other hand, the large landowners with properties over

1,000 yokes in size (526 according to the same census in the agricultural class) who often employed from 400 to over 1,000 seasonal laborers could deduct for each worker up to 10 kg. of bread cereals, a deduction they hardly needed since their cereal production exceeded by far the possible quota assigned to them and only increased their surplus from which they could reap all kinds of benefits.

The deductions in 1943-1944 to the favor of the small farmers (with incomes below 100 Gold Crowns on arable land, which could have ranged between 5 yokes in the 20 Gold Crown category and 33 yokes in the 3 Gold Crown category) for children born after 1931, is also misleading because the average number of children in proportion to the size of farms is much lower for the dwarf sized properties than for the medium farms. In fact, in certain parts of Hungary the one-child system prevails among the agricultural classes. To the 1944-1945 deductions for small children (born after 1932) fat has been added (50 wheat units) to the bread cereals (100 wheat units), which is of some help. Such deductions, however, apply only to those farmers whose quotas do not exceed 5,000 wheat units. For a farmer who holds only arable land the limitation would now be equal to about 120 Gold Crown income, shifting the range from 5 to 6 yokes in the 20 Gold Crown category and from 33 to 40 yokes in the 3 Gold Crown category. However, since most of the farmers would have also meadow and pasture land this increase in range would affect only few in number. The same applies to the deductions permitted for farmers or family members on military duty.

There can be no doubt that the present system of surrender based on net cadastral income is unjust to the small farmers. The change of terminology for 1944-1945 has affected but slightly the delivery quotas of the small farmers, while the maximum limitations (800 wheat units per yoke) are ~~[illegible]~~ definitely in favor of the large landowners. When the exemptions and deductions which the large landowners can take advantage of (for capital investment and seasonl labor) are compared with the paltry deductions allowed to small farmers (for small children and men on military duty) it is evident that the Jurcsek Plan is still perpetuating the inequalities of a system which supports the large landowning class.

Apart from the social inequalities, the Jurcsek Plan has also an adverse affect on the development of agriculture in Hungary. By requiring the small farmers to deliver bread cereals, it is forcing them back into cereal production. Under war conditions there may be some excuse for placing emphasis on bread cereals, but in view of the high production of cereal grains by the large estates, it is definitely a retrogression to shift from diversified farming on the small farms, a sacrifice which would not have been necessary if Hungary had not wished to maintain its exports to Germany.

D. Conclusion

It is to be presumed that popular clamor and political pressure within the country will demand the long overdue land reform. Under such circumstances considerable chaos may arise which would disrupt production at a time when it will be most necessary to maintain an undisturbed flow of agricultural supplies.

It may also be presumed that, since many of the large landowners have irrevocably identified themselves with a system which has long been branded antisocial and undemocratic even within the country, and opposed to the principles of the United Nations, many of the large estates will be deserted by their owners, and that the peasants may try to take "justice" into their own hands. For such an eventuality some form of provisional management should be planned.

The following suggestions are based on pre-Munich territory of Hungary and do not take into consideration any territorial changes since 1938.

A project of such large dimensions as a land reform should not be carried out precipitately. Even on most modest estimates over five million yokes (3 million hectares) of land would fall under a land reform program. The policies of pre-Munich Hungary in her "paper" land reform of benefiting political stooges must be avoided. The redistribution of land should be based not only on the principles of social justice but also on economic requirements. On the other hand, the impatience of the landless peasants will be hard to stem and to secure their cooperation at least the essential steps towards land reform should be taken immediately. There were over one million landless peasants actively engaged in agriculture, less than one-half million in the class who had not even one yoke of land (0.575 hectares) and thus under the subsistence level, and another one-half million who had properties barely enough to feed them but not large enough to place them in the "productive" class. These, together represented one-quarter of the total population of Hungary and if their dependents are added about one-half of the total population. The urgency of immediate action is onky too apparent.

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Pending the drafting of the final reform plan, provisional regulations should be issued authorizing the sequestration[1] of all properties above 200 yokes in size (115 hectares). In this stipulation the aggregate holdings of each owner should be taken into account. According to statistical practice in Hungary, ownership is not shown by the total holdings of one owner, but according to units lying within the various districts. As a result there will be a lower number of owners involved than the number of units shown in the categories above 200 yokes. On the other hand when the separate holdings of one owner will be considered in the aggregate, many of those who at present figure in the categories below 200 yokes will be added to the category above 200 yokes. For instance, the only comparable figures available at present are for owners with properties above 500 yokes in size. According to the Statistical Yearbook[2] in 1935 there were 2,432 such

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1. Sequestration does not correspond with the English term of confiscation" or "expropriation". The idea is merely that of prohibition of unauthorized transactions in regard to property, i.e., sale, mortgage, inheritance, donations, etc.

2. Annuaire Statistique Hongroise XLV-1937 p 80; publ. 1939

units. According to the Beszelő Szamok[1] 1,861 owners are listed for the same year, including such entities as State, communes, districts, compossessorates, etc. This will obviously increase the size of the units involved but will also decrease the number of units below the 200 yoke category. As a further illustration of the point can be cited the data for the category above 50,000 yokes. The Statistical Yearbook gives 11 units totaling 880,731 yokes - the Beszelő Szamok list 14 owners with a total of 1,053,362 yokes of whom Prince Paul Esterhazy alone owned 223,286 yokes.

The purpose of the sequestration would be to prevent wholesale liquidation of properties by owners in anticipation of the land reform measures. The desirability of preventing such free sales is not only to prevent dislocation in agriculture, which would obviously follow such large scale change of ownership at one time, but also to prevent purchase by persons not qualified either from agricultural or social standpoint to secure such properties.

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1. Beszelő Szamok, by Desider Zentay, Budapest 1937, pp 50-96

These sequestrated estates, where the owners had not deserted them, should be left in the management of their owners or their stewards until such time as final disposition will be decreed. Adequate provisions should be made that such properties would be managed properly by their owners during the interim period. In case of wilfull mismanagement such properties should be placed into the hands of managers appointed by competent authorities (Ministry of Agriculture or a Land Reform Office if one is created), the expenses of such management to be charged against the owners. The suggested limitation of 200 yokes is based on experiences of land reforms carried out after World War I in Central Europe. The average minima left to original owners was about 150 hectares of agricultural land but results of the past decades have shown that such minima were more than generous.

The properties which had been deserted by their owners and left without adequate management should be retained as undivided units while under sequestration, and managers should be appointed by the Ministry of Agriculture (Land Office) to supervise agricultural production. The necessity of maintaining these sequestrated properties in unbroken units during the transitional period is discussed below.

As was shown under the heading Discussion, the Jurcsek Plan was weighted in favor of the large landowners. Also from the Discussion it becomes evident that, though the principle of compulsory surrender and production may have to be maintained until such time as normal trends will reestablish the balance between supply and demand, some of the regulations could be modified both to lessen the administrative red-tape and to distribute the burden of surrender more equitably.

In 1935 there were 628,431 units in the less than 1 yoke category but of these only 292,548 had arable land, averaging about one-half yoke per unit. The next category of 1 to 5 yokes comprised 556,352 units of which 529,079 had arable land (1,343,450 yokes) averaging 2.5 yokes per unit. The third category of 5 to 10 yokes is not shown with subdivision of arable and non-arable land, but the 204,471 units averaged 7.2 yokes per unit. The owners of properties below one yoke in size, whether with or without arable land, need no further comment than to say that their holdings are far below the subsistence level. The average size of the next category (2.5 yokes) permits the farmers barely enough to feed themselves. While the average of the third category (5 to 10 yokes) does not come up to the accepted minimum of at least 10 yokes (approximately 5 hectares) to fall within the category of so-called economically viable peasant family farms (nor is it possible to determine how much of that average is arable), they should probably fall within a modified scheme of surrender, not only to assure greater food supply but also to prevent food finding its way into black markets.

From the above then, it is possible to say that the farmers in the group up to 5 yokes of land could be conveniently dropped from surrender quotas without endangering the total amount of food which could be collected through surrender. Apart from the social justice of such an exoneration, it would also mean a considerable cut in need of personnel for control and bookkeeping. These units represented 74 percent (1,184,783) of all the agricultural units (1,614,924) in 1935 and may even be higher at present after the "land reform" carried out by the Horthy government since 1942 at the expense of the Jewish owners of agricultural properties.

Since there are no dependable statistics available on which to base computations of actual yields, the net cadastral income roster may have to be retained as a base key. However, as explained elsewhere, steps should be taken for immediate revision, or abolition of this outdated scale of taxation, but pending such re-evaluation the following may be implemented. The lower minimum of 3 Gold Crowns per yoke of arable land could be retained as it is obvious that the net returns from the land must be equal, if not higher, to that amount. On the other hand the present maximum limitation of 20 Gold Crowns per yoke should be dropped and the existing full scale of net cadastral income in Gold Crowns per yoke of arable land should be used in computing the surrender quotas.

The "wheat unit" coefficients could also be retained as they do offer a convenient method of calculating deliveries. There are two possible methods of channelizing surrender quotas. One (a) is not to specify any definite food products (cereal, fats, meat as at present) but by placing higher coefficients on certain products stimulate production in those crops which are most necessary. The second (b) to draw up two separate lists, one to cover the small farms and the other the large farms and estates, basing the lists on the type of cultivation for which they are best suited and also to stimulate production into the right channels.

Scheme a would have the advantage of leaving full scope to the farmers to select produce which would bring the greatest yield on their lands. However, by placing high coefficients, for instance on cereals, it would encourage small farmers to return to cereal production which is less desirable from the long range view of agro-economy in Hungary. In addition this scheme would favor the large farmers who would have greater feasibility to switch to products with the higher coefficients.

Under scheme b the development of agriculture into the right channels could already be started. The small (up to 10 yokes) farms are more suited to diversified farming, while farms of about 20 yokes get better returns as dairy farms. The large estates not only have the higher yields in cereals but are also better equipped for grain cultivation on large scale. Taking these points into consideration, the surrender quotas could be based as follows:

List No.1 - for farms 5 to 100 yokes

40 wheat units per Gold Crown per yoke of arable land. (Minima 3 Gold Crowns per yoke - no maximum limitation) Assessed number of wheat units per yoke of meadow and pasture lands. Present scale 80 to 240 on meadows and 30 to 110 on pastures.

Since it is desired to stimulate production in this group into diversified and dairy farming, the coefficients should be high in the leguminous plants, corn-hog production, fodder, dairy produce. Low cereal coefficients. The meat ~~and~~quotas could be covered by the assessed wheat units on meadow and pasture lands. (See page 56 for further discussion).

List. No.2 - for farms above 100 yokes

40 wheat units per Gold Crown per yoke of arable land. (Minima 3 Gold Crowns per yoke - no maximum limitation) Assessed number of wheat units per yoke of meadow and pasture lands. Present scale 80 to 240 on meadows, and 30 to 110 on pastures.

Since Group 1 would have the low coefficients in cereals, the point value would have to be increased for this group to stimulate production to at least the present level. Since the large estates will primarily have to cover the cereal production, point values for other crops could be considerably lower. Wheat unit quotas from meadow and pasture lands to be covered by meat products. (See discussion on page 56.)

On the other hand it may be presumed that the cooperation of the large estate owners (under sequestration) will not be wholehearted and that better results could be achieved by requesting specific products, as under the Jurcsek Plan. In such an event List No.2 would still apply only to the group with more than 100 yokes of land but the wheat unit quotas per Gold Crown per yoke of arable land could again be subdivided into three categories: I, cereals, II, fats and III, other products, making 20 wheat units per Gold Crown per yoke of arable land compulsory for cereals, 10 for fat and 10 in other products to be selected from category III.

The feelings of a few large landowners toward such compulsory delivery should not influence the drafting of measures which are to benefit not only the major part of the population in Hungary but possibly of other peoples of Europe.

If the full scale of the net cadastral income on arable land is used, that is, eliminating the present maximum limitation of 20 Gold Crowns per yoke, the cereal requirements of the country will undoubtedly be covered. The experiences of the first year under the Jurcsek Plan

(1943-1944) have shown that only farms above the 100 yoke category were able (or willing?) to deliver excesses above their quotas. Even before the war cereal production in Hungary was such that 30 percent or more was exported and it may be presumed that if the large estates, who were the sources of the exportable xxpx surplus, are retained in unbroken units during the transitional period, the cereal requirements will be fully met. Also it should be remembered that the present system of surrender covers only one-third to one-half of the normal production.

The distribution of meat deliveries based on wheat units per yoke of pasture and meadow lands would be about equal between the two groups, as judged by category divisions. However, one should remember that in the category above 100 yokes are included compossessorates in which the small farmers are also share-users. In 1935 the meadow land was mainly in the category below 100 yokes (61.5 percent) but the pasture land was mostly in the categories above 100 yokes (80.7 percent). On page 29 it was shown how many wheat units could be expected in meat deliveries based on meadow and pasture land quotas. After estimating the needs of the country and probable contribution toward feeding of Europe, coefficients could be assigned to secure the amounts of meat products needed. Under the Jurcsek Plan one-half of the meadow quotas was reserved for hay, oats and straw deliveries. This stipulation could be retained to assure an adequate supply of feed for animals. If the meat deliveries based on meadow and pasture quotas should prove insufficient to meet the requirements, meat products could also be added to the Lists 1 and 2 on quotas from arable land.

Provisions for deductions should be included. The present provisions under the Jurcsek Plan, however, need revision as they do not take into consideration some basic points.

Under the Jurcsek Plan only farms above 20 yokes in size could deduct for farm labor. In view of the fact that many of the farms even below 20 yokes will have been handicapped through loss of active workers, either due to war or other casualties or invalidity, the deductions for seasonal labor should primarily cover the small and medium farms of 5 to 200 yokes. For reasons discussed below, deductions for seasonal labor on farms above 200 yokes could be dropped.

The deductions for small children should include categories from 5 to 100 yokes. The highest birthrate in Hungary, according to size of farms, is in the category of 50 to 100 yokes, and in all justice this group should benefit from such deductions. Under the present Jurcsek Plan it stops short of the 50 yoke category.

Exemptions for capital investments can be eliminated. The small farmer does not have the necessary capital to take advantage of such exemptions and the large estates, being under sequestration, will hardly plan any capital investments on their farms till the question of land reform is settled.

Since it can be assumed that human nature will not change overnight, and that evasions of duty to surrender will be attempted, provisions should be made for adequate penalties for non-compliance.

It can also be assumed that monetary incentive will not be sufficient to stimulate the peasant farmers to do their utmost not only to maintain but to increase production. As manufactured goods will continue to be scarce for some time, their controlled distribution should be used both as incentive for delivery of produce and for execution of agricultural labor. Under the above scheme the dwarf farmers (up to 5 yokes) would not be subject to surrender and thus would not be eligible to receive manufactured goods against crops surrendered. On the other hand it can be presumed that their labor will be needed on the large farms. The dwarf farmers and the landless agricultural labor then should receive manufactured goods on basis of services rendered. Some consideration will also have to be given to the marginal farmers who fall into the 5 to 100 yoke category but whose properties are nearer to the 5 yoke scale and thus may have some difficulties in meeting their quotas. They could also reduce their quotas by labor performed.

It is believed that, if surrender quotas were to be based on a scheme as outlined above, not only the requirements of Hungary during the immediate post-war period would be met but also any demands made on her by the United Nations to help feed post-war Europe. The attitude of the peasant should not be underestimated - he represents more than one-half of Hungary's population. He has unwillingly surrendered food to feed Germany during the war, often to his own detriment, and he may not show any too great enthusiasm at the prospect of helping to feed Europe. To secure his voluntary cooperation not only material inducements will have to be extended, but also tangible proof that his position is being given just consideration.

By placing the large estates under sequestration, the agricultural class in Hungary will be assured that the power of the system based on concentrated landownership had finally been broken and that democratic landownership will be possible. It is true that under sequestration the large landowners will still be able to get large returns on their land but if the land reform is tackled immediately their profits will not continue for such a long time as to prejudice the small farmer. By stepping up the deliveries on the large farms the inequalities under the present system will have been rectified. The handling of the large estates under sequestration deserted by their owners, may require special consideration. In view of the fact that they were deserted the cash returns for surrendered crops could be deposited to special accounts and subsequently used to help the small farmers to purchase land. This could even be done by assigning the tilling of such estates to selected prospective beneficiaries, giving them special allowances from the crops for their own needs and wages from the cash returns. This would be one reason why deductions for seasonal labor should not apply to farms above 200 yokes in size. The incentive in form of manufactured goods could be distributed either on basis of labor performed, or on basis of crops surrendered by the whole unit. The balance of the cash returns, after deduction of cost of management, wages and necessary maintenance, could be proportionately credited among the prospective beneficiaries to help cover the purchase price of the land to be allotted to them under the land reform program.

In the course of redistribution of land from the sequestrated estates, the number of farms in the category below 200 yokes would be increased. With it the cereal production, due to different coefficients given to produce, would be gradually diminished, which should form one of the main objectives of a land reform in Hungary. By object lessons such as showing that diversified and dairy farming is a more lucrative enterprise, the peasants would be weaned away from cereal production which is both unprofitable and unsuited to small-scale farming.

For efficient execution of the above it will be imperative that the Ministry of Agriculture and the Provincial (National) Chambers of Agriculture as well as the agricultural cooperatives, be purged immediately and thoroughly not only of the politically undesirable elements but also of those who oppose democratic form of land ownership. This may create quite a problem as the individuals who risked their lives in support of the peasant in Hungary may no longer be available to fill the posts which will become vacant after such weeding out process in those organizations.